

ROUTING AND RECORD SHEET

44-75-1025

SUBJECT: (Optional)

FROM:

Deputy Director of Personnel
5E 58, Headquarters

EXTENSION

NO.

DATE

DD/A 75-22684

8 MAY 1975

STA

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Acting Executive Officer
to the Deputy Director
for Administration

2. 7D 18, Headquarters

3. Legislative Counsel
7D 35, Headquarters

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9 MAY 1975

House Resolution 73 would increase the amount contributed by the Federal Government toward the cost of Federal Employees Group Life Insurance (FEGLI) and health benefits insurance under the Federal Employees Health Benefits Act (FEHBA).

EFFECT ON FEGLI - Current law provides that, with respect to regular group life insurance and accidental death and dismemberment insurance, the employee pays approximately 66 2/3 percent of the premium and the Federal Government pays the remainder. HR 73 would amend the law so that the employee and the Government each pay 50 percent. This would result in a decrease in cost to the employee of approximately 9¢ per \$1,000 of insurance per biweekly pay period and a like increase on the part of the Federal Government.

EFFECT ON FEHBA - Under current law the maximum Government contribution toward health benefits insurance is set at 60 percent of the average premium of six participating plans of the program. (Selection of the six plans is also established by the law and their average premium is recalculated annually.) HR 73 would raise the Government contribution from 60 percent to 75 percent in three steps i.e. to 65 percent in 1976, to 70 percent in 1977, and to 75 percent in 1978.

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From an employee standpoint, passage of HR 73 would appear to be advisable. It would not only influence the morale of our employees, but would greatly improve the fringe benefits offered to applicants.

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Deputy Director of Personnel

94TH CONGRESS
1ST SESSION

H. R. 73

IN THE HOUSE OF REPRESENTATIVES

JANUARY 14, 1975

Mr. DOMINICK V. DANIELS introduced the following bill; which was referred to the Committee on Post Office and Civil Service

A BILL

To increase the contribution by the Federal Government to the costs of employees' group life and health benefits insurance.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) section 8707 of title 5, United States Code, is
4 amended by striking out "66 $\frac{2}{3}$ percent" and inserting in
5 lieu thereof "50 percent".

6 (b) Section 8708 (a) of title 5, United States Code,
7 is amended by striking out "one-half".

8 SEC. 2. Section 8906 (b) of title 5, United States Code,
9 is amended by striking out "50 percent for applicable pay
10 periods commencing in 1974 and 60 percent for applicable

11 periods commencing in 1975" and inserting in lieu
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1 thereof "65 percent for applicable pay periods commencing
2 in 1976, 70 percent for applicable pay periods commencing
3 in 1977, and 75 percent for applicable pay periods com-
4 mencing in 1978".

5 SEC. 3. The amendments made by this Act shall become
6 effective at the beginning of the first applicable pay period
7 which commences after December 31, 1975.

94TH CONGRESS
1ST SESSION

H. R. 73

A BILL

To increase the contribution by the Federal
Government to the costs of employees' group
life and health benefits insurance.

By Mr. DOMINICK V. DANIELS

JANUARY 14, 1975
Referred to the Committee on Post Office and Civil
Service